



By Ben Wright
Wednesday, January 26, 2011

Veterans who are losing money on their disability benefits while earning a military pension would get relief under a bill making its way through Congress.

"Veterans who have been injured during their service to our country have rightfully earned their military retirement pay and VA disability benefits," said U.S. Rep. Sanford Bishop, D-Albany. "It is unjust that our current policies effectively tax these Americans, taking money right out of their pockets."

On Thursday, Bishop introduced HR 333, the Disabled Veterans Tax Termination Act, to end the current policy that he said wrongfully prevents disabled veterans from receiving the full amount of compensation earned through their service.

The bill was originally introduced by Democrat Jim Marshall but he was defeated by Republican Austin Scott in the November general election.

"He is not here this time so I'm taking it up," Bishop said. "I was co-sponsor on it."

Press Secretary Ashton McRae said 78 co-sponsors, including Democrats and Republicans, have signed onto the bill since the legislation was introduced.

The bill focuses on veterans who receive less than 50 percent disability for service connected benefits along with their military pension. Many veterans, under the current law, face a dollar-for-dollar reduction on their military retirement pay based on their VA disability benefit, despite earning both benefits. Disabled veterans can't receive full income from both the VA disability compensation and military retirement pay.

"Given the difficulties of the economy and their needs, it seems to be unfair," Bishop said. "They earned the disability pay and they earned the retirement pay. There is no logical reason why they should be taxed with the offset. That is the basis of the bill."

Bishop said thousands of disabled veterans are impacted by the current law but he didn't have an exact number or how much it would cost to provide the benefit. The total would have to be calculated by the Congressional Budget Office.

Disabled veterans who receive more than 50 percent in benefits don't have a reduction in their monthly funds. "Those who have more than 50 percent don't have the offset," Bishop said. "Those who have less than 50 percent have an offset and pay is reduced."